

CLAIMS COLLECTION LITIGATION REPORTSJ Section 1.0 Introduction

The Federal Claims Collection Standards (FCCS)(4 CFR 101-105) (<http://www4.law.cornell.edu/cfr/4cfrII.htm#start>) prescribe regulations for the administrative collection, compromise, and termination of agency claims, and for the referral of administratively uncollectible claims to the General Accounting Office (GAO) or to the Department of Justice (DOJ) for litigation.

~~The Standards require that certain information be provided to the Department of Justice when an agency refers a claim for litigation and enforced collection (see 4 CFR 105.1 et seq.).~~

~~The Claims Collection Litigation Report (CCLR) has been developed by the Debt Collection Section of the Executive Office for United States Attorneys, Department of Justice, as the standard report to provide the necessary information when claims are referred to the Department of Justice for litigation and enforced collection.~~

~~All claims referred to the Department of Justice must be accompanied by a completed report.~~

Unless an agency has specific statutory authority to litigate its own debts, it must refer debt to DOJ for litigation. Debts of less than \$1,000,000 must be referred through DOJ's Nationwide Central Intake Facility (NCIF). The NCIF tracks, by agency, the number and dollar value of referred debts, their age at referral, and case rejection rates. The NCIF will acknowledge receipt of debts referred by the agencies, route the debts to the appropriate U.S. Attorney or private counsel for litigation, and keep the referring agency advised of the progress of the litigation effort. Debts of \$1,000,000 or more should be referred directly to the appropriate litigating division at DOJ.

Debts less than \$600, exclusive of interest, penalties, and administrative costs, shall not be referred to DOJ for litigation, unless: (a) referral is important to a significant enforcement policy, or (b) the debtor not only has the clear ability to pay the claim but the Government can effectively enforce payment.

J Section 2.0 Claims Collection Litigation Report (CCLR)

~~The CCLR is provided in four different formats: (1) letter (Exhibit J-1); (2) memorandum (Exhibit J-2); (3) standard form (Exhibit J-3); and (4) short form (Exhibit J-4).~~

~~Each organization unit may choose the format it prefers to use. An Item Explanation (Exhibit J-5) is provided to assist and direct organization units on the specific information required in each item on the report.~~

~~Use of the CCLR by all organization units will serve a number of purposes. First, it will provide the Department of Justice with all the information it must have to effectively litigate the claim and enforce collection. This will increase the speed at which claims received from the Department's organization units are taken to judgment or converted to paying status. As a result, this should increase the amount of money collected by the Department of Justice and returned to the organization units.~~

~~Second, the CCLR will improve the quality of claim referrals to the Department of Justice by prompting~~

~~organization units to take more aggressive administrative action to collect claims and to document the actions taken. In this respect, the CCLR will also serve as a checklist and as a reminder to all persons who deal with these matters of the importance of the Federal requirements.~~

~~Furthermore, both aggressive action by the organization unit to collect and prompt referral to the Department of Justice of claims which are accompanied by current, accurate, and complete information directly affect the success of the Department of Justice in the enforced collection of claims.~~

Section 105.2 of the FCCS requires that all claims referred to DOJ or the U.S. Attorneys' Office (USAO) be accompanied by a Claim Collection Litigation Report (CCLR). The CCLR was developed by the Debt Collection Section of the Executive Office for United States Attorneys, Department of Justice, as the standard report to provide the necessary information when claims are referred to DOJ.

The CCLR and instructions for completion are provided as a separate document on the Office of Financial Management's website at <http://www.osec.doc.gov/ofm/credit/cclr.doc> for ease in downloading.

Use of the CCLR by all organization units provides the Department of Justice with all the information it must have to effectively litigate the claim and enforce collection and improve the quality of claim referrals to DOJ.

Inability to obtain all information required by the report should not be viewed as a bar to referral of claims to the Department of Justice. However, information requested in the litigation report should be provided to the extent feasible.

~~Claims for which the gross original amount of the debt is over \$500,000, exclusive of additional interest, penalty and administrative charges, should be sent to:~~

~~——— Deputy Assistant Attorney General
——— Commercial Litigation Branch, Civil Division
——— Department of Justice
——— Room 3611, Main Justice Building
——— 10th & Constitution Avenue, N.W.
——— Washington, D.C. 20530~~

~~Contact the Commercial Litigation Branch at FTS 724-7174 if information is needed on how to prepare or submit this report.~~

~~Claims for which the gross original amount of the debt is \$500,000 or less, exclusive of additional interest, penalty and administrative charges, shall be referred to the United States Attorney in whose judicial district the debtor can be found. Inquiries regarding preparation or submission of the report for these smaller claims shall be made to the Debt Collection Staff, Executive Office for United States Attorneys at FTS 272-6236, or directly to the United States Attorney's office where the claim will be filed.~~

Inability to obtain all information required by the report should not be viewed as a bar to referral of claims to the Department of Justice. However, information requested in the litigation report should be provided to the extent feasible.

When referring a debt to DOJ for litigation, an agency must provide the following:

- \$ a copy, not the originals, of the relevant account information. Originals may be requested at a later date so the organization unit must be prepared to produce them promptly.
- \$ a fully completed copy of the Claims Collection Litigation Report (CCLR);
- \$ a checklist or report of prior collection actions taken. If the organization unit has not taken an appropriate collection action, then the report must explain why;
- \$ the current address of the debtor;
- \$ credit data for the debtor. The data must have been obtained within the past 6 months. The form the credit data may take includes:
 - B a credit report;
 - B an investigative report stating the debtor's assets, liabilities, income, and expenses;
 - B an individual's financial statement indicating assets, liabilities, income, and expenses. This statement must be signed by the debtor and certified as correct under penalty of perjury; and
 - B an audited balance sheet for a corporate debtor.

Claims arising from audit exceptions taken by GAO to payments made by an organization unit must be referred to ~~General Accounting Office~~ **GAO** for review and approval prior to referral to ~~Department of Justice~~ **DOJ** for litigation. Once a claim has been referred to the United States Attorney's office, DOJ or GAO, the referring organization unit should refrain from having any contact with the debtor except if the debtor appears in person offering to make immediate, in-full payment of the debt. In this case, collection should be made and the office to which the claim was referred notified immediately. If questions concerning the claim are raised by the debtor or if any other contact is made, the organization unit should direct the debtor to the office where the claim was referred.

No other type of collection action should be taken once the claim is referred; however, organization units should continue to report the debtor to credit reporting bureaus.